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May 15, 2017

**Re: GASB Statement No. 68 Report as of the measurement date June 30, 2016,
reported in FY2017 financial statements**

To all Massachusetts Municipal and Regional Treasurers:

Attached is the year ended June 30, 2016 report and pension allocation schedules for the Massachusetts Teachers' Retirement System (MTRS), as required under Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The data in the report is to be used for your FY2017 financial statements. The report and allocation schedules have been reviewed and attested to by KPMG, the Commonwealth's independent auditor. The MTRS has been working in cooperation with the Office of the State Comptroller (CTR), the Public Employees Retirement Administration Commission (PERAC) and KPMG to issue the GASB Statement No. 68 Schedules to be used by our employer units.

GASB 68 requires nonemployer entities (the Commonwealth) to provide certain "on-behalf" pension information to employer cities and towns whose teachers' pensions the Commonwealth is legally responsible for funding in a special funding situation. These on-behalf payments per district can be found under the Employer Pension Expense and Revenue for Commonwealth Support column in the "SUPPLEMENTAL SCHEDULE OF SPECIAL FUNDING AMOUNTS BY EMPLOYER", starting on page 21. Each city or town is required to recognize these on-behalf payments as revenue and a corresponding expense and disclose the amounts recognized in your financial statements.

In addition to the amounts listed for your district under the "SUPPLEMENTAL SCHEDULE OF SPECIAL FUNDING AMOUNTS BY EMPLOYER," particular attention should be paid to NOTE 4 on page 8 and to the Notes to the Supplemental Schedules on page 32.

Entities should consult with their auditors as to how the standard should be applied to their own financial statements, but please do not hesitate to contact Michael Rodino of the State Comptroller's Office (Michael.Rodino@MassMail.State.MA.US) or me (Sean.Neilon@trb.state.ma.us) if you have any questions or need additional information about the report or the schedules themselves.

Thank you for your ongoing support and patience in our third year of reporting under this standard.

Sean Neilon
Assistant Executive Director